

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

T.P.NO. 144/2016

IN

C.A. NO. 140/621A/CB/2016

PRESENT: SHRI RATAKONDA MURALI, MEMBER JUDICIAL

**IN THE MATTER OF COMPANIES ACT, 1956
UNDER SECTION 166 READ WITH SECTION 621A OF THE
COMPANIES ACT, 1956
AND**

IN THE MATTER OF M/S SUVILAS PROPERTIES PRIVATE LIMITED

C.A. NO. 140/621A/CB/2016 & T.P.NO. 144/2016

1. M/S Suvilas Properties Private Limited,
No. 52, Donna Bus Towers,
Railway Parallel Road,
Kumara Park West,
Next to Bethesda School,
Bangalore-560020.
2. Mr. Sunil Chowdary Muniveerappa - Managing Director
Villa B163, Sobha Malachite,
Jakkur Plantation,
Yelahanka
Bangalore-560064.
3. Mr. Chikkajala Ramakrishnaiah Suresh – Director,
Villa 140, Sobha Malachite,
Jakkur Plantation,
Yelahanka
Bangalore-560064.
4. Mr. Madugondanahalli Umesh Neelakantaiah – Director,
No. 24/1, 2nd Floor,
1st Cross, CSL Compound,
Mission Road,
Bangalore-560027.
5. Mrs. Jayasudha Chowdary - Director
Villa B163, Sobha Malachite,
Jakkur Plantation,
Yelahanka
Bangalore-560064.

APPLICANTS

PARTIES PRESENTED:

Mr. V.Venkatachalam, 12-13-205, Street No.2,
Tarnaka, Secunderabad, Telangana, Practicing
Company Secretary & Authorised Representative
for the Applicants,

Heard on: 24/10/2016.

ORDER

The Petition was originally filed before the Company Law Board, Southern Region, Chennai under Section 621A of the Companies Act, 1956 for the purpose of compounding for violation of provisions of section 166 of the Companies Act, 1956. Consequent upon the establishment of National Company Law Tribunal Bench at Bengaluru, the said case was transferred to this Tribunal on abolition of Company Law Board, Southern Region, Chennai Bench and numbered as T.P No. 144/2016.

The averments made in the company petition are briefed hereunder:-

The 1st Applicant Company was incorporated under the Companies Act, 1956 on 19th January 2012 as a Private Limited Company in the name and style of **SUVILAS PROPERTIES PRIVATE LIMITED** vide CIN No. U70102KA2012PTC062139. The Registered office of the company is situated at No. 52, Donna Bus Towers, Railway Parallel Road, Kumara Park West, Next to Bethesda School, Bangalore-560020.

The present Authorized share capital of the 1st Applicant Company is Rs. 33,00,00,000/- (Rupees Thirty three Crores only) consisting of 3,30,00,000 (Three crores thirty lakhs) Equity Shares of Rs 10/- each and the issued, Subscribed and the paid up share capital of the company is Rs 33,00,00,000/- (Rupees Thirty three Crores only) divided into 3,30,00,000 (Three crores thirty lakhs) Equity Shares of Rs. 10/- each.

The Main objects of the 1st Applicant Company is to undertake development, construction, acquire, possess, enjoy, own, develop, create, build, construct, establish, provide, operate, manage, form, hold, lease, mortgage, hire, sell, transfer, distribute, maintain or otherwise deal with properties of all kinds and nature such as layout, colonies, housing, resorts, farm houses, complexes, projects, and to act as consulting engineers, interior decorators, contractors, dealers, agents, manufacturers and distributors, importers and exporters of building materials and services of all kinds and types, etc., singly or in joint venture with others either in India or abroad. Details of the objects of the company are mentioned in the Memorandum and Articles of Association of the 1st Applicant Company.

It is averred in the Company Application that, the 1st Applicant Company could not conduct its Annual General Meeting within the prescribed time limit for




the financial year 2013-14. The Annual General Meeting was held after its due date. The reason is that, the Directors of the 1st Applicant Company were out of station and were not available for finalization of accounts. Apart from this, the entire financial team of the 1st Applicant Company has been very busy in making arrangement for credit facilities from banks and financial institutions and could not complete the preparation of accounts on or before due date of Annual General Meeting. However, the Company held its Annual General Meeting on 26th December 2014 for the financial year ended 31st March 2014. Thereby, there was delay of 86 days and thus there was violation of provisions of section 166 of the Companies Act, 1956.

We have heard the Practicing Company Secretary for the Applicants on 24/10/2016. The Practicing Company Secretary contended that, it was purely an accidental and totally inadvertent for not holding Annual General Meeting within the stipulated time and there was no mala fide or fraudulent intention on the part of Company or its Directors in not conducting Annual General Meeting within the stipulated time. The Practicing Company Secretary for the Applicants contended that, this is a suo-moto application filed by the Company and its Directors for compounding of violation and further contended that the 1st Applicant Company has incurred accumulated loss of Rs. 5 Crores as on 31st March 2014 and prayed for taking lenient view to condone the penalty.

For violation of Section 166 punishment is prescribed under Section 168 of the Companies Act, 1956 which reads as follows:-

“the Company and every officer of the company who is in default, shall be punishable with fine which may extend to Fifty thousand rupees and in case of a continuing default, with a further fine which may extend to two thousand five hundred rupees for every day after the first during which such default continues”.

We have seen the Memorandum and Articles of Association of the Company. We have seen the Board Resolution dated 17th June 2015, wherein the Board has passed a resolution to file necessary Compounding Application. We have also seen the Auditors Report and Balance sheet of the Company. After considering the materials on record and after taking into account the submissions made by the Practicing Company Secretary that lenient view may be taken, we levy compounding fee under section 168 of the Companies Act, 1956 for the delay in



holding Annual General Meeting on the 1st Applicant Company and its 4 Directors, the Applicant Nos. 2, 3, 4 and 5 as shown in the table given below:-

Sl. No.	Particulars	Violation of Sec.166 of Companies Act, 1956	Delay of 86 days	Total Rs.
1	1 st Applicant Company	Rs. 10,000/-	86 x 100/- = 8,600/-	18,600/-
2	2 nd Applicant Managing Director	Rs. 10,000/-	86 x 100/- = 8,600/-	18,600/-
3	3 rd Applicant Director	Rs. 10,000/-	86 x 100/- = 8,600/-	18,600/-
4	4 th Applicant Director	Rs. 10,000/-	86 x 100/- = 8,600/-	18,600/-
5	5 th Applicant Director	Rs. 10,000/-	86 x 100/- = 8,600/-	18,600/-

In pursuant to our Order dated 31/10/2016 mentioned herein above, the Applicants have paid the compounding fee by depositing the following 5 Demand Drafts of HDFC Bank, Sadashivanagar, Bangalore-56008-0 drawn in favour of "Pay and Accounts Officer, Ministry of Corporate Affairs, payable at Chennai" as detailed below:-

Sl. No.	Particulars of Applicant	Fee Amount Rs.	DD No. & Date
1	1 st Applicant Company	18,600/-	002763 dt. 15/11/2016
2	2 nd Applicant Managing Director	18,600/-	002764 dt. 15/11/2016
3	3 rd Applicant Director	18,600/-	002765 dt. 15/11/2016
4	4 th Applicant Director	18,600/-	002766 dt. 15/11/2016
5	5 th Applicant Director	18,600/-	002767 dt. 15/11/2016

As the compounding fee has been remitted by the Applicants, the offence stated in the petition is compounded. A copy of this Order be sent to Registrar of Companies, Karnataka at Bangalore for appropriate action.


 (RATAKONDA MURALI)
 MEMBER, JUDICIAL

DATED THIS THE 15th DAY OF NOVEMBER 2016.